



U.S. Department of Transportation
Federal Aviation Administration

800 Independence Ave., SW
Washington, DC 20591

February 10, 2003

To: *U.S. Air Carriers with a Federal Aviation Administration (FAA)*
Chapter 443 Aviation Insurance Policy

Pending extension of Presidential Determination Order 2001-29 until April 14, 2003, by the Secretary of Transportation, this letter proffers an extension of your FAA Aviation Insurance Policy covering events of terror and war which is scheduled to terminate at 23:59 GMT on Thursday, Feb 13, 2003. The policy will remain in effect for 60 days until 23:59 GMT on April 14, 2003 unless otherwise amended or terminated. It is the current intention of the Department of Transportation (DOT), pursuant to Section 1202 of the Homeland Security Act of 2002 (HSA), to continue to extend FAA insurance in 60 day intervals through August 31, 2003.

Also in response to HSA, the FAA is offering to amend policies which cover only third party liability war risk to include losses or injuries to aircraft hulls, passengers and crew, and personal property at the limits carried by air carriers for such losses and injuries as of November 25, 2002 (the date of enactment of HSA). A similar offer of expanded coverage was made by the FAA in December, 2002.

There are two options for extending your FAA insurance.

Option I: Amendment 7: Provides hull, passenger; crew and personal property; and 3rd party liability insurance. If you are currently insured under Amendment 4, which provided this three-part coverage, and you want to continue with this coverage, or if you are currently insured under Amendment 5, and would like to add this expanded coverage, then you should use Amendment 7 to renew your policy. Please note there are extensive revisions incorporated into this Amendment 7 which includes an increase in the scope of the definition of passenger, the ability to specify additional named insureds and loss payees, refinement of the valuation of aircraft hulls, and the provision of coverage for premise, property, and hangerkeepers.

Option II: Amendment 7A: Provides 3rd Party Liability Insurance Only. If you are currently insured under Amendment 5 (which provided 3rd party liability only) and you want to continue with this coverage, then your policy will be renewed with Amendment 7A.

Due to the size of the Amendments, we have posted them on our website at <http://Insurance.faa.gov>. Please print a copy and follow the directions as indicated. If you are unable to access the Amendments, or if you have questions, please contact your aviation insurance representative.

Whichever Amendment you chose, you must sign and fax a copy to the FAA by 5:00 P.M. EST on February 13, 2003 to ensure uninterrupted insurance coverage.

Yours truly,

John M. Rodgers
Director, Office of Aviation Policy and Plans